

REAL ID Act Quarterly Report to the Legislature

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Table of Contents

Table of Contents	i
Preface	ii
Federal Legislation	1
Federal Regulations	3
Status of Federal Funding	3
Major REAL ID Act Activities.....	4

Preface

This REAL ID Act Quarterly Report is submitted pursuant to the following language in the Supplemental Report of the 2007 Budget Act for the quarter ending September 30, 2007:

“The department shall report quarterly beginning September 2007, to the Joint Legislative Budget Committee and the appropriate fiscal and policy committees of the Legislature on the status of the federal Real ID Act. Specifically, the department shall report on the status of any federal legislation to amend or repeal the act, as well as federal regulations and funding for the program. The department shall also report on its major activities related to the Real ID act.”

California is still awaiting the published final REAL ID regulations from the U.S. Department of Homeland Security (DHS). According to DHS, the final regulations are expected to be published in late 2007. Until such time, the Department of Motor Vehicles (DMV) will continue to engage in ongoing discussions with DHS to address California’s concerns with the proposed REAL ID requirements in an attempt to influence the outcome of the final regulations.

Federal Legislation

The following identifies specific federal legislation on REAL ID that has been introduced and its current status:

S. 563: Collins (Maine)

Amends the REAL ID Act of 2005 to extend the deadline that (1) a state's driver license and identification cards must meet certain minimum federal standards to be accepted by a federal agency; and (2) a state must meet certain minimum verification standards before issuing such licenses or cards. S. 563 also directs the Secretary of the DHS to convene a negotiated rulemaking committee to review and make recommendations as to the promulgated regulations resulting from the revised REAL ID Act pursuant to this legislation.

Status

Introduced on February 13, 2007 and was referred to the Senate Committee on Homeland Security and Governmental Affairs on the same day. No other action to date.

S. 717: Akaka (Hawaii)

Identification Security Enhancement Act of 2007 - Repeals the REAL ID Act of 2005 and establishes new requirements. Directs the Secretary of the U.S. Department of Homeland Security to: (1) establish by regulation minimum standards for acceptance of state-issued driver licenses and identification cards by federal agencies; (2) establish a negotiated rulemaking process before publishing such standards; and (3) award grants to states to assist them in conforming to such standards.

Status

Introduced on February 28, 2007 and was referred to the Senate Committee on the Judiciary on the same day. No other action to date.

H.R. 1117: Allen (Maine)

REAL ID Repeal and Identification Security Enhancement Act of 2007 - Repeals the Real ID Act of 2005 and established new requirements. Directs the Secretary of the U.S. Department of Homeland Security to: (1) establish by regulation minimum standards for acceptance of state-issued driver licenses and identification cards by federal agencies; (2) establish a negotiated rulemaking process before publishing such standards; and (3) award grants to states to assist in conforming to such standards.

Status

Introduced on February 16, 2007 and was referred to the House Subcommittee on Government Management, Organization and Procurement on March 23, 2007. No other action to date.

H.R.1314: Blackburn (Tennessee)

Photo Identification Security Act - Restricts the forms of individual identification that may be accepted by the federal government or by financial institutions to the following: (1) a Social Security card accompanied by a photo identification card issued by the federal or a state government; (2) a driver's license or identification card issued by a state that is in compliance with the REAL ID Act of 2005; (3) a passport issued by the United States or a foreign government; and (4) a photo identification card issued by the Secretary of DHS.

Status

Introduced March 5, 2007 and was referred to the House Subcommittee on Government Management, Organization and Procurement on March 27, 2007. No other action to date.

Federal Regulations

On March 9, 2007, the REAL ID Act Notice of Proposed Rule Making was released by DHS for public comment. DMV, in conjunction with the California REAL ID Steering Committee (11 state agencies and departments) analyzed the proposed regulations and delivered California's response to DHS on May 7, 2007. Since that time, DMV has been engaged in ongoing dialogue with DHS officials and has continued to advocate that California's interests be addressed during DHS' development of the final REAL ID regulations.

To date, the final REAL ID regulations have not yet been published in the Federal Register and, according to DHS, they are not expected to be published until late 2007. Upon receipt of the final regulations, DMV will conduct a thorough analysis of the fiscal, operational and legislative impacts to California.

Status of Federal Funding

Under the REAL ID Act (Act), the Secretary of DHS may make federal grants available to states to assist in conformance with the minimum standards of the Act. In 2006, Congress appropriated \$40 million in grant funds to DHS for the states' implementation costs of the Act. Approximately \$7 million of these funds have already been allocated by DHS to develop a national electronic verification system to verify birth certificates and other vital records pursuant to the Act. According to DHS, the remaining funds will be distributed to states via a competitive grant process based on DHS guidelines that will be issued after the release of the final REAL ID regulations in late 2007.

In addition, the Department of Homeland Security Appropriations Act, 2008 (H.R. 2638, introduced June 8, 2007) currently includes \$50,000,000 in grants to assist states in complying with the requirements of the REAL ID Act. Under H.R. 2638, these funds would be appropriated to DHS in the federal fiscal year ending September 30, 2008. The appropriations bill was sent to the House of Representatives on August 1, 2007 after being amended by the U.S. Senate.

Major REAL ID Act Activities

Since submission of California's response to the DHS proposed REAL ID regulations in May 2007, DMV has continued an ongoing dialogue with DHS to ensure that California's interests are addressed as part of the final rule making. The following activities have occurred between July 1, 2007 and September 30, 2007:

- **California REAL ID Act Steering Meeting**

The California REAL ID Act Steering Committee met with Dr. Richard Barth, DHS Assistant Secretary, Office of Policy Development, in Sacramento to discuss significant issues related to the proposed REAL ID Act regulations including:

- Lack of federal funding (estimated cost to California is \$500 million to \$750 million)
- Requirement for in-person renewals for over 24 million Driver License/Identification (DL/ID) cardholders within five years
- Short implementation timeframe (May 2008 to May 2013)
- Requirements to use non-existent, national electronic verification systems
- Privacy and security concerns

- **Meetings with DHS**

California met on several occasions with DHS officials via in-person visits and conference calls in order to protect the state's interests and pursue a more practical and cost effective means of implementing REAL ID. DHS has been willing to engage in these discussions with California and consider the state's input as part of the final rule making process.